GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:351
ANSWERED ON:13.12.2002
EXPORT OF GEMS AND JEWELLERY
NANDIPAKU VENKATASWAMY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the share of gems and jewellery exports in the total export of the country;

(b) the total amount of foreign exchange earned during 2001-2002 from export of these items;

(c) the various steps taken by the Government to increase export competitiveness of gems and jewellery and overall share of its exports;

(d) whether the Government have formulated any plan to upgrade and modernize the technology in manufacturing of gems and jewellery;

(e) if so, the details there;

(f) whether the Government propose to set up more jewellery export zones and Jewellery Design Training Centres in the country ; and

(g) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE)

(a) to (g) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (g) OF LOK SABHA STARRED QUESTION NO. 351 FOR ANSWE 13TH DECEMBER 2002 REGARDING EXPORT OF GEMS AND JEWELLERY.

(a) & (b): As per the DGCI&S data, during the year 2001-02, the share ofgem & jewellery in merchandise export was 16.77%. Total exports were US$ 43.56 billion, gem & jewellery accounted for US$ 7.31 billion.

(c) to (g) : The government and the Gem and Jewellery Export Promotion Council (GJEPC) have taken several steps to improve exports of gem and jewellery and enhance competitiveness in the world market. Some of these are given below:-

- Ministry of Commerce have prepared a Medium Term Export Strategy for various sectors including Gem & Jewellery sector;

- The GJEPC and the Govt. constantly explore the possibility of direct procurement of rough diamonds from diamond mining countries;

- Govt. have provided funds to set up the Sardar Vallabhai Patel Centre of Jewellery Design and Manufacture at Surat to give a fillip to jewellery design and manufacture;

- The GJEPC promotes the image of Indian diamonds and jewellery abroad through advertisements, publicity and participation in international fairs, organising buyer-seller meets and direct approach to market retailers;

- The GJEPC identifies new markets by organising market study through consultants. Italso deputes Indian designers to various int4ernational trade fairs and exhibitions to study the latest trend in designs; and

- The GJEPC promotes export of Hallmark jewellery from India so that customers abroad can be assured of quality and purity of Indian made jewellery.

In addition, the following policy initiatives have been taken for the sector in the new Exim Policy effective from 1.4.2002:-

- Customs duty on import of rough diamonds has been reduced to zero and licensing regime for rough diamond abolished.

- Value addition norms for export of plain jewellery have been reduced from 10% to 7%. Export of all mechanized unstudded jewellery is now permissible at a value addition of 3% which was earlier restricted only to gold / platinum/ silver unstudded Chains and bangles manufactured by fully mechanized process.

- Personal carriage of jewellery is permissible through Hyderabad and Jaipur airport as well, in addition to Delhi, Mumbai, Kokatta, Chennai and Bangalore.

For enhancing the quality, design and global competitiveness of the Indian jewellery, infrastructure facilities for training have been provided to the gem and jewellery sector. The training centers / institutions have been imparting training in all relevant areas of design and manufacture with the ultimate objective of improving the quality of export production. In pursuit of the above objective, the Indian Institute of Gems & Jewellery is being set up in Mumbai with the Central financial assistance of 50% of the expenditure.For manufacture and export of jewellery, a SEZ has been approved at Manikanchan in Kolkatta. There is no other proposal before the Government to set up any SEZ/EPZ in the jewellery sector.